

Transportation

The President's 2007 Budget continues the successful pro-growth policies that have encouraged robust economic growth and job creation. A strong economy, together with spending restraint, is critical to reducing the deficit. The Budget builds on last year's successful spending restraint by again holding the growth of overall discretionary spending below inflation, proposing to reduce non-security discretionary spending below the previous year's level, and calling for the elimination or reduction of programs not getting results or not fulfilling essential priorities. Like last year, the budget proposes savings and reforms to mandatory spending programs, whose unsustainable growth poses the real long-term danger to our fiscal health.

The President is committed to improving the safety and efficiency of the Nation's transportation system, and these priorities are reflected in the Budget request for the Department of Transportation (DOT). To date, DOT has made great strides toward improving transportation safety, and DOT will continue to work to reduce accident and fatality rates even further. In addition, across modes of transportation, congestion is a growing problem that the Department is attempting to address through new and innovative approaches.

The President's FY 2007 Budget:

- Supports an interagency effort to develop the Next Generation Air Transportation System to meet growing demand for airspace capacity.
- Encourages Amtrak to undertake meaningful reforms and control spending.
- Increases funding for critical highway safety programs in support of changes made by the recently enacted surface transportation reauthorization law.

The 2007 Budget includes:

Improving Transportation Safety

Aviation Safety:

- \$9.6 billion to enhance aviation safety through oversight, operational, and research programs, including:
 - \$287 million to complete 52 runway safety projects through the Grants-in-Aid for Airports Program (AIP). Runway safety improvement projects involve improving or expanding runway safety areas, installing technologies that can quickly and safely slow an airplane, or modifying or relocating the existing runways. These 52 runways will bring the total number of completed projects since 2000 to 296.
 - \$8 million for the Air Transportation Oversight System (ATOS), in which inspectors evaluate each air carrier as a whole rather than inspecting for compliance with selected rules. Federal Aviation Administration (FAA) currently uses ATOS to evaluate 17 of the Nation's largest air carriers, and the 2007 Budget request will enable FAA to review all 115 of the country's air carriers.
 - \$8.4 billion in operational and personnel costs to permit hiring 1,136 air traffic controllers and 116 new safety inspectors.

Surface Transportation Safety:

- \$4.7 billion for highway safety programs administered by the Federal Highway Administration, including State grants aimed at eliminating hazardous roadway conditions.
- \$1.3 billion in FY 2007 for highway safety improvement programs, including:
 - \$815 million for the National Highway Traffic Safety Administration (NHTSA). NHTSA plans to dedicate its additional resources to those programs that most effectively reduce the highway fatality rate, including safety belt usage and alcohol-impaired driving.
 - \$517 million for the Federal Motor Carrier Safety Administration, to focus on increased State grant oversight, additional support for the oversight of hazardous materials transportation, and State enforcement of commercial truck and bus regulations.

Improving Transportation Mobility

Aviation Mobility:

- \$3.1 billion to expand capacity and improve mobility within the Nation's aviation system. The Budget supports funding for new runways as well as the continued deployment of new technologies that allow more efficient use of the existing system including:
 - \$976 million for building and maintaining runways;
 - \$122 million to develop the Next Generation Air Transportation System (NGATS);
 - \$80 million for a Traffic Flow Management System that is the key product in coordinating air traffic for the airline community; and
 - \$31 million for the Advanced Technologies and Oceanic Procedures system, which yields more efficient routing, saving fuel and improving on-time performance.

Surface Mobility:

- \$7.8 billion for programs that reduce highway congestion and increase the reliability of our highway system through new construction and innovative management tools, such as providing State and local governments with the flexibility to use road pricing to manage congestion.
- \$23.7 billion to maintain and improve the National Highway System and to replace, rehabilitate, and preserve bridges and other infrastructure.
- \$7.3 billion for formula grants to States for investment in alternatives to highway travel - buses, rail cars, ferries and transportation maintenance facilities.
- \$1.5 billion to fund capital investment in 27 existing or new fixed-guideway transit projects. These New Start projects are distributed across 12 States and numerous counties and cities. When complete, the projects will carry approximately 74.2 million passengers, who would have otherwise used automobiles for their trips.

Reforming Intercity Passenger Rail Service

- The 2007 Budget requests \$900 million for Amtrak, which would keep the trains running, but also require that Amtrak make hard business choices about how to reduce its costs.
- The Budget requests this amount because only a constrained Federal subsidy will force Amtrak to change the way it conducts business. With \$900 million, Amtrak would need to manage its resources much more strategically, which is necessary for bringing costs under control and improving operating performance. For instance, the DOT inspector general recently highlighted the disproportionately high cost of running sleeper cars on long-distance trains where per-passenger subsidies can be as high as \$627.

- Amtrak will need to better manage all its resources, including Federal and state contributions, ticket revenue, and other sources. To help ensure this occurs, the Budget proposes allowing DOT to target Federal subsidies based on Amtrak's progress making reforms.

Maritime Administration

- \$298 million for the continuation of a strong maritime and shipping industry. The Administration is especially supportive of those elements of the program that contribute to military preparedness and that reduce pollution and other adverse environmental effects from maritime transportation activities. These include:
 - \$154 million to fund the Maritime Security Program (MSP) fleet of 60 U.S.-owned and U.S.-crewed ships that will serve as militarily useful sealift assets. The MSP provides direct payments to U.S.-flagship operators to ensure adequate sealift support for the Department of Defense in time of war or national emergency.
 - \$26 million to fund the complete disposal of 13 obsolete conventional vessels and the partial disposal of one obsolete nuclear powered vessel in the National Defense Reserve Fleet.